

AVIVA INVESTORS SELECT FUNDS ICVC

Annual Report and Financial Statements

For the year ended 28 February 2018

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* These items comprise the Manager's Report for the purposes of the rules contained in the Collective Investment Schemes Sourcebook ("the Regulations").

COMPANY INFORMATION

AUTHORISED CORPORATE DIRECTOR

Aviva Investors UK Fund Services Limited
St Helen's
1 Undershaft
London, EC3P 3DQ

Aviva Investors UK Fund Services Limited (the ACD) is a wholly owned subsidiary of Aviva Investors Holdings Limited, a company incorporated in the United Kingdom and within the Aviva group of companies. The ACD is a member of the Investment Association and is authorised and regulated by the Financial Conduct Authority.

DIRECTORS

I Buckle
J Misselbrook (resigned 23 November 2017)
S Ebenston
D Skinner
J Leadsom (appointed 6 April 2017)
D Clayton (appointed 5 April 2017)
M Craston (appointed 1 November 2017)
G Miller (appointed 20 December 2017)

ADMINISTRATOR AND REGISTRAR

DST Financial Services Europe Ltd
DST House
St Nicholas Lane
Basildon
Essex, SS15 5FS

Changes to Administrator and Registrar name

With effect from 14 August 2017, the name of the Administrator and Registrar was changed to DST Financial Services Europe Ltd. Prior to this date, the name was International Financial Data Services (UK) Limited.

FUND ACCOUNTING AND PRICING AGENT

J.P. Morgan Chase Bank, National Association (London Branch)
25 Bank Street
Canary Wharf
London, E14 5JP

INVESTMENT MANAGER

River Road Asset Management LLC
462 South Fourth Street
Louisville KY 40202 USA

The ultimate parent company of River Road Asset Management LLC is Affiliated Managers Group.

DEPOSITARY

J.P.Morgan Europe Limited
25 Bank Street
Canary Wharf
London, EC14 5JP

J.P.Morgan Europe Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Atria One
144 Morrison St
Edinburgh, EH3 8EB

REPORT OF THE AUTHORISED CORPORATE DIRECTOR

THE COMPANY

Aviva Investors Select Funds ICVC ("the Company") is an Open-Ended Investment Company (OEIC) with variable capital incorporated in England and Wales since 18 August 2004. The property of the Company is entrusted to J.P. Morgan Europe Limited ("the Depositary"). The shareholders are not liable for any debts of the Company.

The object of the Company is to invest the scheme property in transferable securities, money market instruments, deposits, units in collective investment schemes, derivative instruments and forward transactions, in accordance with the FCA Rules applicable to the Company and each Fund according to the type of authorisation of the Company as stated in the Instrument of Incorporation with the aim of spreading investment risk and giving its shareholders the benefit of the results of the management of the property.

The Company has an umbrella structure which means that it contains a number of sub-funds ("Funds"), each with a different investment objective. In the financial statements you will find an investment review for the two Funds in the Aviva Investors Select Funds ICVC that are available for investment which includes details of the investment objectives.

REMUNERATION POLICY

In line with the requirements of the Undertakings for Collective Investment in Transferable Securities Directive V ("UCITS V"), the ACD is subject to a remuneration policy which is consistent with the principles outlined in the European Securities and Markets Authority guidelines on sound remuneration policies under the UCITS Directive.

Aviva Investors' remuneration framework is based on a total reward approach and is designed to reflect the success or failure against a range of personal and company performance objectives. There are four components of pay: base salary; annual bonus (including deferred bonus); long term incentive plan; and benefits. Aviva believes in rewarding strong performance and the achievement of our business and individual goals; however, the manner in which these goals are achieved is also an important factor in determining outcomes. Annual bonus awards are discretionary and where bonuses are £75,000 and over a 3 year deferral with pro-rata vesting in Aviva Investors funds and/or Aviva Group plc shares occurs.

The extent to which each aspect of performance affects the overall payment level depends on the role and responsibilities of the individual. Performance is measured against personal objectives, including Risk and Control objectives, as well as Aviva Investors' and the business unit performance against agreed targets. A combination of individual, business unit, Aviva Investors and Group performance over an appropriate period.

- The financial considerations includes the following comparisons:-
 - Actual results vs. prior period results
 - Actual results vs. agreed plans
 - Actual results relative to competitors
 - Actual results vs., and progress towards, our long-term target ambition.
- The non-financial considerations include risk, conduct, culture, customer and employee engagement metrics, with Aviva values clearly underpinning all our decisions. In certain roles, adherence to Responsible Investment and ESG principles will also be a consideration.
- The Performance assessment does not encourage risk taking outside the Aviva Investors stated risk appetite, and includes mechanisms by which performance against risk and conduct related measures has a significant impact on the availability and size of business and individual variable awards.

The remuneration policies are designed to ensure that any relevant conflicts of interest can be managed appropriately at all times and that the remuneration of its senior staff is in line with the risk policies and objectives of the UCITS funds it manages, and takes into account the promotion of sound and effective risk management and the achievement of fair outcomes for all customers.

The ACD has no employees but is a wholly owned subsidiary of Aviva Investors Holdings Limited. For the year to 31 December 2017, apportioned remuneration based on the time assessed to be spent on the ACD UCITS activity paid by Aviva Plc, the ultimate parent of the ACD, to its senior management team, and staff whose actions have a material impact on the risk profile of the ACD ("Code staff"), is as follows:

	Senior Management	Other Code Staff
Total Remuneration:	£0.4m	£0.2m
Of which, Fixed Remuneration	35%	56%
Variable Remuneration	58%	30%
Pension/Benefits	7%	14%
Number of Code staff:	11	11

REPORT OF THE AUTHORISED CORPORATE DIRECTOR (CONTINUED)

AUTHORISED STATUS

From 18 August 2004 the Company was authorised as an Open-Ended Investment Company under Regulation 9 of the Open-Ended Investment Companies Regulations 1996 (superseded by Regulation 12 of the Open-Ended Investment Companies Regulations 2001) ("Regulations").

The Company is authorised to operate as a "UCITS Scheme" for the purposes of the COLL sourcebook and as an "umbrella" company for the purposes of the OEIC Regulations.

THE FINANCIAL STATEMENTS

We are pleased to present the annual financial statements of the Company for the year ended 28 February 2018. As required by the Regulations, information for each of the Funds has been included in these financial statements. On the following pages we review the performance of each of those Funds during the year. We hope that you find our review useful and informative.

ANNUAL GENERAL MEETINGS

The Company will not be holding any Annual General Meetings.

SIGNIFICANT INFORMATION

On 18 March 2017, Aviva Investors UK Fund Services replaced Aviva Investors UK Funds Limited as the ISA Manager of all Aviva Investors ISA accounts. Other than the identity of the registered ISA Manager, no changes were made to the ISAs or the way they are run as a result of this change.

Launch of share class 5

On 23 June 2017, a new share class 5 (both income and accumulation) was launched in the Aviva Investors US Equity Income Fund and the Aviva Investors US Equity Income Fund II.

Changes to the Depositary fees

The Depositary fees for the sub-funds in the ICVC changed with effect from 1 March 2018 as set out in the Prospectus from that date.

Based on the average net asset value of the sub-funds within the ICVC, throughout 2017, this change will not result in an increase in the Depositary fees. However, please note that should the net asset values of the sub-funds increase in the future, there is potential that this change may affect the level of Depositary fees charged.

At the same time, the range of fees that the Custodian charges for safekeeping fund assets changed in respect of the sub-funds of the ICVC. The safekeeping charges vary according to the territory or country in which the assets are held, and will change from a range of 0.0008%-0.55% to 0.001%-0.35%. Any increase in Custodian fees as a result of this change, if there is one, is considered not to have a material effect in relation to the investment of an investor.

On 4 June 2018, we made a number of changes to our entire fund range, including the Funds of the Company. This resulted in us replacing a variety of separate fees, costs and expenses of operating and administering our funds with a simple single fee called the "Fund Management Fee" or "FMF". In connection with this, we also lowered fees on a large number of our funds and reduced entry charges to zero on all but one of our funds. We also renamed certain share classes of certain funds and closed other share classes and moved any investors into an alternative share class of the same fund. The review of a Fund notes if it was affected by such a share class merger or renaming.

STATEMENT OF CROSS HOLDINGS

There are no cross holdings as at 28 February 2018.

POLICIES AND RISKS

ACCOUNTING POLICIES

a Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for UK Authorised Funds and in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practices and UK GAAP FRS 102) and with the Statement of Recommended Practice for Authorised Funds issued by the Investment Management Association (IMA), now Investment Association, in May 2014, (the 'IMA SORP').

All of the Funds have been prepared on a going concern basis.

b Share classes

The Funds have four types of share classes; retail shares (class 1), institutional shares (class 2 and class 5) and shares held by associated undertakings of Aviva Plc (class 3). Each class bears different charges and consequently the level of revenue allocated to each share class will differ. Some share classes consist of either accumulation or income shares, whilst others consist of both accumulation and income shares. Some share classes are priced in currencies other than Sterling.

c Recognition of revenue

Dividends are recognised when the investment is quoted ex-dividend. Underwriting commission is recognised when the issue underwritten takes place. Where a Fund is required to take up some of the shares underwritten, an appropriate proportion of the commission earned is deducted from the cost of the shares. Deposit interest and other revenues are recognised on an accruals basis.

d Treatment of derivatives

In determining the accounting treatment for derivatives, consideration is given to the instrument itself and the Funds' objectives for investment in derivative instruments.

Where positions are held to protect capital, the returns are treated as capital. Where positions are held to generate revenue, the returns are treated as revenue. Where positions generate total returns, these returns are apportioned between capital and revenue to reflect the nature of the transaction.

e Dilution levy policy

The Company reserves the right to charge a dilution levy (Investor Protection Fee) to protect existing investors in a Fund from the costs of buying or selling investments that may result from the sale and/or purchase of shares in that Fund. The amount of any such dilution levy is calculated by reference to the estimated costs of dealing in the underlying investments, including any dealing spreads, broker commissions and taxes. When the Company impose a dilution levy on a particular investor or group of investors, this is paid into the Fund and helps to protect existing investors from the costs of the resultant transactions. For details of the circumstances in which a dilution levy may be imposed, dilution levies applied in a Fund historically, and on what values, please see that Fund's Prospectus.

f Underwriting commission

Underwriting commission is accounted for when the issue underwritten takes place and is normally taken to revenue. Where the Company is required to take up all the shares underwritten, the commission received is treated as a deduction from the cost of the shares taken up. Where the Company is required to take up a proportion of the shares underwritten, the same proportion of the commission received is treated as a deduction from the cost of shares taken up and the balance is taken to revenue.

g Basis of valuation of investments

Quoted investments

The quoted investments of the Company have been valued at bid value at midday on the last working day of the accounting period.

Unquoted and unapproved investments

The unquoted and unapproved investments of the Company have been valued by the Investment Manager using available information, such as recent transaction prices, valuations from reliable sources, financial performance and other relevant factors, to arrive at an estimated fair value.

Suspended securities

Suspended securities have been valued at the suspended market price per share or valued by the Investment Manager using available information to arrive at an estimated fair value.

Delisted securities

Delisted securities have been valued by the Investment Manager using available information to arrive at an estimated fair value.

Over the counter (OTC) derivatives

OTC derivatives are either valued by the relevant counterparty or by the investment manager using available information to arrive at an estimated fair value.

Exchange traded derivatives (ETDs)

ETDs are included at the aggregate unrealised market value of the open contracts.

CIS investments

CIS investments are valued at the last sale price available at the valuation point.

h Exchange rates

Assets and liabilities held in foreign currencies are translated at the rate ruling at midday on the last working day of the accounting period. Revenue and expenditure items are translated at the rate ruling at the date of transaction.

i Taxation and deferred taxation

Provision for Corporation Tax is based at the current rate, as appropriate, on the excess of taxable revenue over allowable expenses, with relief for overseas taxation taken as appropriate. Deferred taxation is provided using the liability method on all timing differences that have originated but not reversed at the balance sheet date, calculated at the rate for the period in which it is anticipated the timing differences will reverse, based on rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

j Unclaimed distributions

Any distribution remaining unclaimed after a period of six years is paid back to the relevant Fund and forms part of the capital property of the Fund.

POLICIES AND RISKS (CONTINUED)

DISTRIBUTION POLICIES

a Distribution policy

Where appropriate the Company will pay any surplus revenue as a revenue distribution or accumulation to capital. None of the Funds were more than 60% invested in qualifying investments and so have proposed dividend distributions. Full details are set out in the distribution tables.

b Treatment of stock dividends

The ordinary element of stock dividends is treated as revenue and forms part of the Fund's distribution. The value of the stock dividend is based on the market value of the shares on the dates they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is treated as capital.

c Treatment of management expenses

All expenses, except those relating to the purchase and sale of investments and transaction charges are charged to the revenue property of the respective Funds, on an accruals basis.

For the purposes of the distribution, the ACD's periodic charge of the Aviva Investors US Equity Income Fund and the Aviva Investors US Equity Income Fund II is deducted from capital.

To take account of the relief obtained in respect of charging the ACD periodic charge to capital, a notional tax charge is deducted from the revenue account, and a corresponding notional tax credit is added to the capital account.

FINANCIAL INSTRUMENTS

The Company's financial instruments, other than derivatives, comprise securities and other investments, cash balances and debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issue of shares and payable for cancellation of shares, and debtors for accrued revenue.

In accordance with requirements set out in the Collective Investment Schemes Sourcebook (COLL) of the Financial Conduct Authority, such scheme transactions must be economically appropriate, any exposure must be fully covered and the transactions must be entered into with the aim of reducing risk and/or costs and/or generating additional capital or revenue for the scheme with no, or an acceptably low level of risk. Open-Ended Investment Companies are not permitted by the Regulations to enter into a transaction in derivatives if its purpose could reasonably be regarded as speculative. The Company's use of financial instruments satisfies these requirements and no trading in financial instruments is undertaken.

The Company has exposure to a number of different risks to varying degrees. The main risks it faces from its financial instruments and the Manager's policies for managing these risks are summarised below:

a Foreign Currency Risk

The Funds can be exposed to foreign currency risk as a result of investing in assets denominated in currencies other than Sterling. Where the Manager deems it necessary, this exposure to foreign currency fluctuations is mitigated by the use of forward foreign currency contracts. Numerical disclosures can be found in the notes to the financial statements for each Fund.

b Interest Rate Risk

The value of debt securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates. The Manager manages this risk by maintaining a balanced portfolio with due consideration to interest rate and redemption profiles. Interest rate risk is also managed by ensuring that deposits mature within a relatively short period. Numerical disclosures can be found in the notes to the financial statements for each Fund.

c Market Risk

The Funds' investment portfolios are exposed to market price fluctuations which are monitored by the Manager in pursuance of the investment objectives and policies of the Funds. Adherence to investment and borrowing powers set out in the Instrument of Incorporation and in COLL, mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolios is set out in the investment reports and portfolio statements, of the individual Funds.

d Credit Risk

The Funds restrict their exposure to credit losses on derivative instruments by trading via international Swap and Derivative Association (ISDA) Master Arrangements with each counterparty.

e Liquidity Risk

This is the risk that there is insufficient liquidity which restricts a Fund's investment opportunities or ability to pay liabilities at short notice. This risk is managed by ensuring that overdrafts are monitored and maintained within investment limits and exposure to unquoted or illiquid securities is reduced.

f Counterparty Risk

There is a risk that the Counterparty will not be able to settle its obligations under the agreement. This is mitigated by an assessment of the credit worthiness of the Counterparty, and the use of collateral arrangements. This means that the Counterparty delivers government bonds with a minimum credit rating of 'AA' to the value of the derivative into a segregated account with the Depository. The Fund has full legal rights to this collateral, should the Counterparty become unable to meet its obligations in order to recover most of the value of the Fund at the time of Counterparty default.

Further information on the investment portfolio is set out in the investment reports and portfolio statements.

AVIVA INVESTORS US EQUITY INCOME FUND

INVESTMENT OBJECTIVE

To provide an annualised income yield 1.5% higher than that of the Russell® 3000 Value Index which is paid quarterly, with the potential for capital growth.

INVESTMENT POLICY

The Fund aims to achieve the investment objective by principally investing in equity securities listed on regulated North American exchanges. Limited exposure to other geographic regions may be possible.

The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash or near cash. The Fund may also use derivative instruments for the purposes of efficient portfolio management.

FUND MANAGER'S REPORT

Performance

Over the twelve months ended 28 February 2018 the Fund (share class 1) delivered a total return of -7.18%* compared with an average return of -7.70% for the Russell® 3000 Value benchmark, an underperformance of 0.52%.

Over the period ended 28 February 2018, the Fund provided an income yield (before the deduction of charges and tax) of 3.47%, compared to the Russell® 3000 Value Index yield of 2.70%, an outperformance of 0.77% but falling short of its target of providing an annualised income yield 1.5% higher than that of the Index.

Review

2017 will likely be remembered for the unprecedentedly smooth rise in the stock market. The S&P 500 set a number of new records, posting a positive return 14 months in a row and going more than 290 days without a -3% correction. Over the prior decade, the S&P 500 traded down more than -1% in a single trading session an average of 33 times per year. However, the S&P 500 declined more than -1% in only four trading sessions in 2017, none of which occurred in quarter four (Q4). The CBOE Volatility Index continued to trade near all-time lows throughout the fourth quarter.

While geopolitical disputes dominated the headlines, investors seemed to continuously ignore these conflicts, instead focusing on the shifting tides of monetary and fiscal stimulus in the United States. The Federal Reserve (Fed) pushed short-term rates higher as longer-term rates remained stubbornly low and the U.S. Treasury curve flattened substantially. More importantly, Congress was finally able to break the gridlock, securing the most significant revision to U.S. tax code in more than 30 years. The tax reform bill not only lowered the corporate tax rate but also modernized the treatment of non-U.S. income and generally made it more attractive to do business in the United States – providing a boost to Corporate America.

2018 started strong as U.S. markets were broadly positive again in January. Implied volatility roared – somewhat inexplicably – in early February, generating significant losses for strategies that were inherently low volatility. However, the spike was short lived as the CBOE VIX declined sharply, but it has remained at levels well above the historic lows of recent months. Management reports increasingly support our belief that the lower tax rate represents a significant stimulus for earnings and dividend growth in the year to come which should help drive the market higher yet.

Broadly surveying the market, large caps led and growth stocks significantly outperformed during the period.

Six of eleven sectors in the Russell 3000 Value posted positive returns in the period, with Information Technology (27.6%), Financials (16.8%), and Materials (14.7%) providing the highest returns. The worst performing sectors were Real Estate (-9.8%), Telecommunication Services (-7.4%), and Energy (-4.2%).

Looking at what worked during the period, the most significant positive impacts on relative performance were from stock selection in the Energy and Consumer Staples sectors. All five Energy holdings outperformed the broader sector return including Marathon Petroleum Corp. (MPC, 32.7%), the second highest contributor to Portfolio return during the period. Of the seven Consumer Staples holdings, four outperformed the broader sector including Walmart Inc. (WMT, 30.3%), the fifth highest contributor during the period.

The other holdings with the highest contribution to Portfolio return during the period were Praxair Inc. (PX, 28.8%), Microsoft Corp. (MSFT, 50.4%), and Motorola Solutions Inc. (MSI, 36.9%).

Speaking to what did not work, overall sector allocation and stock selection were both negative. The most significant negative impacts on relative performance were from stock selection in Financials and the overweight in Real Estate. Of the ten holdings in Financials, eight underperformed the broader sector return.

The five holdings with the lowest contribution to Portfolio return during the period were General Electric Co. (GE, -40.8%), Sabra Health Care REIT Inc. (SBRA, -32.2%), W.W. Grainger Inc. (GWW, -36.3%), Unifi Group Inc. (UNIT, -44.2%), and Cardinal Health Inc. (CAH, -26.1%).

As of 28 February, the Portfolio held a total of 58 positions. During the period, we established 13 positions, eliminated 10, and one was spun-off. The five largest positions established were Extended Stay America Inc. (STAY, 14.1%), Cisco Systems Inc. (CSCO, 19.2%), KAR Auction Services Inc. (KAR, 29.8%), Nielsen Holdings Plc (NLSN, -14.7%), and Interpublic Group of Companies Inc. (IPG, -1.1%). The five largest positions eliminated were Cardinal Health Inc. (CAH, -26.1%), TE Connectivity Ltd. (TEL, 32.6%), W.W. Grainger Inc. (GWW, -36.3%), Unifi Group Inc. (UNIT, -44.2%), and Owens & Minor Inc. (OMI, -28.7%). We eliminated the positions in CAH and GWW due to unrealized losses, the positions in OMI and UNIT due to fundamental changes, and the position in TEL as it was trading at a premium to its assessed valuation.

AVIVA INVESTORS US EQUITY INCOME FUND (CONTINUED)

FUND MANAGER’S REPORT (CONTINUED)

Review (continued)

While we believe the market will likely move higher in 2018, the spike in volatility that occurred in the first week of February supports our assertion that the sense of complacency that has dominated markets of late cannot persist throughout 2018. As the boost from tax reform moves into the rearview mirror, we expect investors will become increasingly focused on risk, and volatility will tick higher. This shift could be driven by a more aggressive stance by the Fed, an uptick in inflation, or some other geopolitical event. Regardless of the cause, we believe that such a move would be positive for both the Strategy’s relative results and for our bottom-up investment process. Given our expectations that market volatility will increase, dividend growth will be boosted by tax reform, and considering the attractive discount to value for the top 20 holdings in the wake of the recent pullback, we believe that the relative outlook for our value-driven investment approach is increasingly positive.

April 2018

* Fund performance figures – share class 1, source Lipper, net of fees, net income reinvested in GBP. Unless otherwise indicated, all data has been sourced by River Road Asset Management LLC.

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As noted above, the performance figures in this commentary have been sourced from Lipper and are based on published prices. The performance figures quoted in the comparative tables on pages 10 to 12 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

Any opinions expressed are those of the Fund manager. They should not be viewed as a guarantee of a return from an investment in the Funds. The content of the commentary should not be viewed as a recommendation to invest nor to buy or sell stocks. Past performance is not a guide to future performance. The value of an investment in the Fund and any income from it may go down as well as up, and the investor may not get back the original amount invested.

Material Portfolio Changes

Purchases	Sales
Extended Stay America	Microsoft
Nielsen Holdings	TE Connectivity
Interpublic Group	Motorola Solutions
KAR Auction Services	PNC Financial Services Group
General Electric	Novo Nordisk, ADR
Cisco Systems	Cardinal Health
Coty ‘A’	GEO Group, REIT
Hanesbrands	Time Warner
Starbucks	Iron Mountain, REIT
Novo Nordisk, ADR	Praxair

Synthetic Risk and Reward Indicator



The Fund has been allocated a risk number based on the historic volatility of its share price. Where insufficient share price information is available, the risk number has been based on the historic volatility of the asset classes appropriate to the Fund.

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- Investment may be restricted to a limited number of holdings, industries, or Countries. The Fund share price may be more exposed to specific events and as a result may experience large daily price changes.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean ‘risk free’.
- Further information on the risks applicable to the Fund is detailed in the Fund’s Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

	2018	2017	2016
Class 1 Income	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	194.80	144.79	143.22
Return before operating charges [†]	(10.92)	56.99	7.49
Operating charges	(3.06)	(2.75)	(2.25)
Return after operating charges [†]	(13.98)	54.24	5.24
Distributions	(4.42)	(4.23)	(3.67)
Closing net asset value per share	176.40	194.80	144.79
† after direct transaction costs of	(0.07)	(0.07)	(0.05)
Performance			
Return after operating charges	(7.18)%	37.46%	3.66%
Other information			
Closing net asset value (£000)	742	7,402	7,696
Closing number of shares	420,776	3,799,878	5,315,532
Operating charges (%) [†]	1.64%	1.63%	1.63%
Direct transaction costs (%) [#]	0.04%	0.04%	0.04%
Prices[®]			
Highest share price	198.36	196.55	150.79
Lowest share price	171.23	143.77	121.83

	2018	2017	2016
Class 1 Accumulation	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	227.00	164.66	158.62
Return before operating charges [†]	(12.76)	65.48	8.55
Operating charges	(3.54)	(3.14)	(2.51)
Return after operating charges [†]	(16.30)	62.34	6.04
Distributions	(5.20)	(4.86)	(4.10)
Retained distributions on accumulation shares	5.20	4.86	4.10
Closing net asset value per share	210.70	227.00	164.66
† after direct transaction costs of	(0.09)	(0.08)	(0.06)
Performance			
Return after operating charges	(7.18)%	37.86%	3.81%
Other information			
Closing net asset value (£000)	797	1,103	1,504
Closing number of shares	378,106	485,750	913,218
Operating charges (%) [†]	1.64%	1.63%	1.63%
Direct transaction costs (%) [#]	0.04%	0.04%	0.04%
Prices[®]			
Highest share price	231.14	227.76	167.00
Lowest share price	203.38	163.52	135.79

	2018	2017	2016
Class 2 Income	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	203.37	150.01	147.27
Return before operating charges [†]	(11.43)	59.33	7.78
Operating charges	(1.71)	(1.56)	(1.25)
Return after operating charges [†]	(13.14)	57.77	6.53
Distributions	(4.63)	(4.41)	(3.79)
Closing net asset value per share	185.60	203.37	150.01
† after direct transaction costs of	(0.08)	(0.07)	(0.06)
Performance			
Return after operating charges	(6.46)%	38.51%	4.43%
Other information			
Closing net asset value (£000)	185,074	249,562	207,585
Closing number of shares	99,717,514	122,714,671	138,378,752
Operating charges (%) [†]	0.89%	0.88%	0.88%
Direct transaction costs (%) [#]	0.04%	0.04%	0.04%
Prices[®]			
Highest share price	207.09	205.01	155.19
Lowest share price	180.08	148.98	125.74

	2018	2017	2016
Class 2 Accumulation	p per share	p per share	p per share
Change in net assets per share			
Opening net asset value per share	236.73	170.42	162.95
Return before operating charges [†]	(13.32)	68.10	8.86
Operating charges	(2.01)	(1.79)	(1.39)
Return after operating charges [†]	(15.33)	66.31	7.47
Distributions	(5.44)	(5.05)	(4.29)
Retained distributions on accumulation shares	5.44	5.05	4.29
Closing net asset value per share	221.40	236.73	170.42
† after direct transaction costs of	(0.09)	(0.08)	(0.06)
Performance			
Return after operating charges	(6.48)%	38.91%	4.58%
Other information			
Closing net asset value (£000)	7,376	10,844	9,040
Closing number of shares	3,331,778	4,580,636	5,304,501
Operating charges (%) [†]	0.89%	0.88%	0.88%
Direct transaction costs (%) [#]	0.04%	0.04%	0.04%
Prices[®]			
Highest share price	241.06	237.31	171.71
Lowest share price	213.62	169.25	140.01

COMPARATIVE TABLES (CONTINUED)

Class 2 Income (USD)	2018 c per share	2017 c per share	2016 c per share
Change in net assets per share			
Opening net asset value per share	157.98	130.75	141.88
Return before operating charges [†]	7.65	32.13	(6.09)
Operating charges	(1.40)	(1.29)	(1.52)
Return after operating charges [†]	6.25	30.84	(7.61)
Distributions	(3.81)	(3.61)	(3.52)
Closing net asset value per share	160.42	157.98	130.75
† after direct transaction costs of	(0.06)	(0.06)	(0.05)
Performance			
Return after operating charges	3.96%	23.59%	(5.36)%
Other information			
Closing net asset value (£000)	12,145	15,863	12,591
Closing number of shares	10,481,675	12,493,857	13,444,062
Operating charges (%) [†]	0.89%	0.88%	0.88%
Direct transaction costs (%) [#]	0.04%	0.04%	0.04%
Prices[®]			
Highest share price	172.61	158.88	143.04
Lowest share price	150.72	129.96	120.64

Class 5 Income [†]	2018 p per share
Change in net assets per share	
Opening net asset value per share	193.14
Return before operating charges [†]	(2.92)
Operating charges	(0.93)
Return after operating charges [†]	(3.85)
Distributions	(3.07)
Closing net asset value per share	186.22
† after direct transaction costs of	(0.08)
Performance	
Return after operating charges	(1.99)%
Other information	
Closing net asset value (£000)	1
Closing number of shares	534
Operating charges (%) [†]	0.81%
Direct transaction costs (%) [#]	0.04%
Prices[®]	
Highest share price	198.54
Lowest share price	180.71

Class 3 Accumulation	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	241.46	173.22	165.06
Return before operating charges [†]	(13.60)	69.34	9.01
Operating charges	(1.24)	(1.10)	(0.85)
Return after operating charges [†]	(14.84)	68.24	8.16
Distributions	(5.74)	(5.48)	(4.43)
Retained distributions on accumulation shares	5.74	5.48	4.43
Closing net asset value per share	226.62	241.46	173.22
† after direct transaction costs of	(0.09)	(0.08)	(0.06)
Performance			
Return after operating charges	(6.15)%	39.39%	4.94%
Other information			
Closing net asset value (£000)	88	93	67
Closing number of shares	38,583	38,583	38,583
Operating charges (%) [†]	0.54%	0.53%	0.53%
Direct transaction costs (%) [#]	0.04%	0.04%	0.04%
Prices[®]			
Highest share price	245.88	241.96	174.01
Lowest share price	218.61	172.04	142.07

COMPARATIVE TABLES (CONTINUED)

	2018 p per share
Class 5 Accumulation[†]	
Change in net assets per share	
Opening net asset value per share	226.20
Return before operating charges [‡]	(3.47)
Operating charges	(1.07)
Return after operating charges [‡]	(4.54)
Distributions	(3.61)
Retained distributions on accumulation shares	3.61
Closing net asset value per share	221.66
[†] after direct transaction costs of	(0.09)
Performance	
Return after operating charges	(2.01)%
Other information	
Closing net asset value (£000)	1
Closing number of shares	451
Operating charges (%) [‡]	0.81%
Direct transaction costs (%) [#]	0.04%
Prices[≈]	
Highest share price	234.96
Lowest share price	213.86

[‡] The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

[#] The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

[≈] The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

[†] Class 5 (GBP) and Class 5 (Acc) (GBP) were launched on 23 June 2017.

Ongoing Charges Figure*

Share class	28.02.18	28.02.17
Class 1	1.64%	1.63%
Class 2	0.89%	0.88%
Class 2 (USD)	0.89%	0.88%
Class 3	0.54%	0.53%
Class 5	0.81%	–

* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the year. The OCF is made up of the Annual Management Charge (if any) and other operating costs deducted from the assets of the Fund during the year, except for those payments that are explicitly excluded (performance fees).

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 28 February 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 98.89% (98.40%)				
Consumer Discretionary 15.76% (9.54%)				
Hotels, Restaurants & Leisure 3.66% (0.00%)				
Extended Stay America	USD	319,390	4,533	2.20
Starbucks	USD	73,722	3,012	1.46
			<u>7,545</u>	<u>3.66</u>
Leisure Products 1.18% (0.92%)				
Polaris Industries	USD	29,449	2,441	1.18
			<u>2,441</u>	<u>1.18</u>
Media 7.11% (6.66%)				
Cinemark Holdings	USD	153,960	4,816	2.34
Interpublic Group	USD	192,416	3,305	1.60
Meredith	USD	56,580	2,362	1.15
Omnicom Group	USD	75,109	4,173	2.02
			<u>14,656</u>	<u>7.11</u>
Multiline Retail 2.46% (1.96%)				
Target	USD	92,952	5,073	2.46
			<u>5,073</u>	<u>2.46</u>
Textiles, Apparel & Luxury Goods 1.35% (0.00%)				
Hanesbrands	USD	193,295	2,785	1.35
			<u>2,785</u>	<u>1.35</u>
Consumer Discretionary total			32,500	15.76
Consumer Staples 10.88% (7.00%)				
Beverages 1.14% (1.14%)				
PepsiCo	USD	29,209	2,340	1.14
			<u>2,340</u>	<u>1.14</u>
Food & Staples Retailing 3.35% (2.51%)				
CVS Health	USD	37,552	1,851	0.90
Walmart	USD	76,525	5,059	2.45
			<u>6,910</u>	<u>3.35</u>
Food Products 1.07% (0.00%)				
Kraft Heinz	USD	45,010	2,206	1.07
			<u>2,206</u>	<u>1.07</u>
Household Products 2.26% (1.48%)				
Kimberly-Clark	USD	57,514	4,667	2.26
			<u>4,667</u>	<u>2.26</u>
Personal Products 3.06% (1.87%)				
Coty 'A'	USD	200,143	2,868	1.39
Unilever, ADR	USD	91,667	3,436	1.67
			<u>6,304</u>	<u>3.06</u>
Consumer Staples total			22,427	10.88

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Energy 8.80% (8.38%)				
Oil, Gas & Consumable Fuels 8.80% (8.38%)				
Chevron	USD	31,803	2,610	1.26
Exxon Mobil	USD	64,722	3,624	1.76
Marathon Petroleum	USD	142,798	6,765	3.28
Occidental Petroleum	USD	58,171	2,804	1.36
Valero Energy	USD	35,151	2,354	1.14
			<u>18,157</u>	<u>8.80</u>
Energy total			18,157	8.80
Financials 15.69% (16.74%)				
Banks 11.41% (11.24%)				
BB&T	USD	178,284	7,076	3.43
PNC Financial Services Group	USD	25,393	2,939	1.43
US Bancorp	USD	162,619	6,461	3.13
Wells Fargo	USD	82,313	3,521	1.71
WesBanco	USD	116,545	3,533	1.71
			<u>23,530</u>	<u>11.41</u>
Capital Markets 1.33% (1.72%)				
Thomson Reuters	USD	94,907	2,737	1.33
			<u>2,737</u>	<u>1.33</u>
Insurance 2.95% (3.78%)				
Axis Capital Holdings	USD	58,103	2,066	1.00
CNA Financial	USD	51,038	1,903	0.92
MetLife	USD	62,349	2,126	1.03
			<u>6,095</u>	<u>2.95</u>
Financials total			32,362	15.69
Health Care 1.96% (5.00%)				
Biotechnology 1.96% (1.90%)				
Amgen	USD	30,096	4,039	1.96
			<u>4,039</u>	<u>1.96</u>
Health Care Providers & Services 0.00% (3.10%)				
Health Care total			4,039	1.96
Industrials 16.74% (12.59%)				
Air Freight & Logistics 1.75% (1.59%)				
United Parcel Service 'B'	USD	47,339	3,614	1.75
			<u>3,614</u>	<u>1.75</u>
Building Products 1.44% (1.39%)				
Johnson Controls International	USD	108,185	2,972	1.44
			<u>2,972</u>	<u>1.44</u>
Commercial Services & Supplies 1.82% (0.00%)				
KAR Auction Services	USD	99,766	3,746	1.82
			<u>3,746</u>	<u>1.82</u>
Electrical Equipment 2.12% (1.79%)				
Emerson Electric	USD	82,767	4,369	2.12
			<u>4,369</u>	<u>2.12</u>
Industrial Conglomerates 0.87% (0.00%)				
General Electric	USD	172,208	1,804	0.87
			<u>1,804</u>	<u>0.87</u>

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Professional Services 1.61% (0.00%)				
Nielsen Holdings	USD	138,781	3,324	1.61
			3,324	1.61
Road & Rail 2.41% (1.98%)				
Union Pacific	USD	51,388	4,964	2.41
			4,964	2.41
Trading Companies & Distributors 4.72% (5.84%)				
Aircastle	USD	206,765	2,931	1.42
Fastenal	USD	169,959	6,795	3.30
			9,726	4.72
Industrials total			34,519	16.74
Information Technology 10.82% (14.11%)				
Communications Equipment 3.45% (2.40%)				
Cisco Systems	USD	123,569	4,019	1.95
Motorola Solutions	USD	40,233	3,097	1.50
			7,116	3.45
Electronic Equipment, Instruments & Components 2.50% (4.40%)				
Corning	USD	243,397	5,158	2.50
			5,158	2.50
IT Services 0.58% (0.77%)				
CSG Systems International	USD	35,465	1,205	0.58
			1,205	0.58
Semiconductors & Semiconductor Equipment 3.46% (3.39%)				
Intel	USD	73,342	2,644	1.28
QUALCOMM	USD	93,676	4,489	2.18
			7,133	3.46
Software 0.83% (3.15%)				
Microsoft	USD	24,978	1,700	0.83
			1,700	0.83
Information Technology total			22,312	10.82
Materials 5.09% (5.29%)				
Chemicals 3.81% (3.71%)				
LyondellBasell Industries 'A'	USD	27,088	2,145	1.04
Praxair	USD	51,304	5,706	2.77
			7,851	3.81
Metals & Mining 1.28% (1.58%)				
Compass Minerals International	USD	58,440	2,636	1.28
			2,636	1.28
Materials total			10,487	5.09
Real Estate 9.36% (14.24%)				
Equity Real Estate Investment Trusts (REITs) 9.36% (14.24%)				
GEO Group	USD	165,129	2,549	1.23
Iron Mountain	USD	205,908	4,615	2.24
Ryman Hospitality Properties	USD	68,551	3,423	1.66
Sabra Health Care REIT	USD	203,412	2,511	1.22
Ventas	USD	86,464	3,054	1.48
Weyerhaeuser	USD	123,915	3,157	1.53
			19,309	9.36
Real Estate total			19,309	9.36

PORTFOLIO STATEMENT (CONTINUED)
As at 28 February 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Telecommunication Services 1.84% (2.61%)				
Diversified Telecommunication Services 1.84% (2.61%)				
Verizon Communications	USD	109,414	3,797	1.84
			<u>3,797</u>	<u>1.84</u>
Telecommunication Services total			3,797	1.84
Utilities 1.95% (2.90%)				
Gas Utilities 1.95% (2.37%)				
National Fuel Gas	USD	110,487	4,028	1.95
			<u>4,028</u>	<u>1.95</u>
Multi-Utilities 0.00% (0.53%)				
Utilities total			4,028	1.95
Equities total			203,937	98.89
Forward Currency Contracts 0.00% (0.00%)				
Buy GBP 155,437 sell USD 217,286 dated 01/03/2018			(2)	–
Forward Currency Contracts total			(2)	–
Investment assets			203,935	98.89
Net other assets			2,289	1.11
Net assets			206,224	100.00

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 28 February 2017.

STATEMENT OF TOTAL RETURN

For the year ended 28 February 2018

	Notes	£000	Year ended 28.02.18 £000	£000	Year ended 28.02.17 £000
Income					
Net capital (losses)/gains	2		(21,420)		81,282
Revenue	3	7,496		8,224	
Expenses	4	(2,214)		(2,381)	
Net revenue before taxation		5,282		5,843	
Taxation	5	(1,035)		(1,151)	
Net revenue after taxation			4,247		4,692
Total return before distributions			(17,173)		85,974
Distributions	6		(5,972)		(6,566)
Change in net assets attributable to shareholders from investment activities			(23,145)		79,408

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 28 February 2018

	£000	Year ended 28.02.18 £000	£000	Year ended 28.02.17 £000
Opening net assets attributable to shareholders		284,867		238,483
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	692		641	
Amounts payable on cancellation of shares	(56,432)		(33,961)	
		(55,740)		(33,320)
Dilution adjustment		5		–
Change in net assets attributable to shareholders from investment activities (see above)		(23,145)		79,408
Retained distribution on accumulation shares		237		296
Closing net assets attributable to shareholders		206,224		284,867

BALANCE SHEET

As at 28 February 2018

	Notes	As at 28.02.18 £000	As at 28.02.17 £000
Assets:			
Investments		203,937	280,303
Current assets:			
Debtors	8	1,468	6,688
Cash and bank balances	9	3,195	3,485
Total assets		208,600	290,476
Liabilities:			
Investment liabilities		(2)	–
Creditors:			
Bank overdrafts		–	(178)
Distribution payable		(1,111)	(1,531)
Other creditors	10	(1,263)	(3,900)
Total liabilities		(2,376)	(5,609)
Net assets attributable to shareholders		206,224	284,867

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 6 and 7 for accounting basis and policies.

2 Net capital (losses)/gains

	Year ended 28.02.18 £000	Year ended 28.02.17 £000
Net capital (losses)/gains on investments during the year comprise:		
Currency (losses)/gains	(352)	524
Expenses relating to the purchase and sale of investments	(11)	(7)
Forward currency contracts gains	–	1
Non-derivative securities (losses)/gains	(21,057)	80,764
Net capital (losses)/gains	(21,420)	81,282

3 Revenue

	Year ended 28.02.18 £000	Year ended 28.02.17 £000
Bank and deposit interest	12	1
Overseas dividends	7,271	8,087
UK dividends	213	136
Total revenue	7,496	8,224

4 Expenses

	Year ended 28.02.18 £000	Year ended 28.02.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	1,887	2,042
Registration fees	247	263
	2,134	2,305
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	32	34
Dividend collection charges	2	1
Interest payable	1	1
Safe custody fee	17	16
	52	52
Other expenses:		
Audit fee*	11	12
Printing & postage expenses	9	9
Statement fees	8	3
	28	24
Total expenses	2,214	2,381

* The audit fee was £9,634 (2017: £9,376) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 28.02.18 £000	Year ended 28.02.17 £000
Overseas tax suffered	1,035	1,151
Total current tax (see note 5b)	1,035	1,151

b Factors affecting current tax charge

The tax assessed for the year is lower than (2017: lower) the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 28.02.18 £000	Year ended 28.02.17 £000
Net revenue before taxation	5,282	5,843
Corporation tax at 20%	1,056	1,169
Effects of:		
Movement in excess expenses	249	264
Overseas dividends not subject to corporation tax	(1,228)	(1,375)
Overseas tax suffered	1,035	1,151
Revenue taxable in different periods	–	7
Tax relief for overseas tax suffered	(34)	(38)
UK dividends not subject to corporation tax	(43)	(27)
	(21)	(18)
Current tax charge (see note 5a)	1,035	1,151

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

There was no provision for deferred tax at the year end (2017: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £8,925,000 (2017: £7,683,000) creating a potential deferred tax asset of £1,785,000 (2017: £1,536,000). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Year ended 28.02.18 £000	Year ended 28.02.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Net dividend distribution for the three months ended 28 May	1,567	1,517
Net dividend distribution for the three months ended 28 August	1,702	1,617
Net dividend distribution for the three months ended 28 November	1,377	1,740
Net dividend distribution for the three months ended 28 February	1,157	1,598
	5,803	6,472
Add: Revenue deducted on cancellation of shares	171	97
Deduct: Revenue received on issue of shares	(2)	(3)
Total distributions	5,972	6,566
Reconciliations of distributions for the year to net revenue after taxation		
Distributions for the year	5,972	6,566
ACD's periodic charge borne by the capital account	(1,887)	(2,042)
Tax relief on capitalised ACD's periodic charge	162	168
Net revenue after taxation	4,247	4,692

Details of the distributions per share are set out in the distribution tables on pages 25 to 28.

7 Fair value hierarchy

Valuation technique	Assets at 28.02.18 £000	Liabilities at 28.02.18 £000	Assets at 28.02.17 £000	Liabilities at 28.02.17 £000
Level 1: Quoted prices	203,937	–	280,303	–
Level 2: Observable market data	–	2	–	–
Total value	203,937	2	280,303	–

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 28.02.18 £000	As at 28.02.17 £000
Accrued revenue	632	908
Overseas tax recoverable	14	17
Sales awaiting settlement	822	5,763
Total debtors	1,468	6,688

9 Cash and bank balances

	As at 28.02.18 £000	As at 28.02.17 £000
Cash and bank balances	3,195	3,485
Total cash and bank balances	3,195	3,485

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Other creditors

	As at 28.02.18 £000	As at 28.02.17 £000
Accrued expenses	227	261
Amounts payable for cancellation of shares	1,036	2,104
Purchases awaiting settlement	–	1,535
Total creditors	1,263	3,900

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the Manager are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £120,000 (2017: £168,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £2,000 (2017: £10,000). The amount outstanding at the year end was £1,000 (2017: £2,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

All investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement.

Holdings at the year end and movements during the year are as follows:

	Holdings at 28.02.18 (shares)	Movement (shares)	Holdings at 28.02.17 (shares)
ACD and related parties (Class 1 Income (GBP) shares)	23,810	23,810	–
ACD and related parties (Class 2 Income (GBP) shares)	3,000	(8,185)	11,185
ACD and related parties (Class 2 Accumulation (GBP) shares)	–	(138,978)	138,978
ACD and related parties (Class 2 Income (USD) shares)	10,481,675	10,481,675	–
ACD and related parties (Class 3 Accumulation (GBP) shares)	38,583	–	38,583

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has four share classes: Class 1 (Retail), Class 2 and Class 5 (Institutional) and Class 3 (Associated undertakings of Aviva Plc). The annual management charges are as follows:

Class 1 : 1.50%
 Class 2 : 0.75%
 Class 3 : 0.50%
 Class 5 : 0.67%

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 10 to 12. The distributions per share class are given in the distribution tables on pages 25 to 28. All the share classes have the same rights on winding up.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Shares in issue reconciliation

	Number of shares in issue at 28.02.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 28.02.18
Share Class 1 Income	3,799,878	–	(400,677)	(2,978,425)	420,776
Share Class 1 Accumulation	485,750	–	(90,544)	(17,100)	378,106
Share Class 2 Income	122,714,671	341,339	(26,180,331)	2,841,835	99,717,514
Share Class 2 Accumulation	4,580,636	–	(1,265,192)	16,334	3,331,778
Share Class 2 Income (USD)	12,493,857	16,979	(2,029,161)	–	10,481,675
Share Class 3 Accumulation	38,583	–	–	–	38,583
Share Class 5 Income	–	10,787	(10,253)	–	534
Share Class 5 Accumulation	–	10,669	(10,218)	–	451

15 Stock lending

The Fund has not entered into stock lending arrangements in either the current or prior year.

16 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on page 7.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2017: £nil).

Currency risk

At the year end date, 99.82% (2017: 101.11%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements. If currency rates were to change by 10.00%, the value of the Fund would change by 9.98%.

Currency	Net foreign currency assets					
	Monetary exposure £000		Non monetary exposure £000		Total £000	
	28.02.18	28.02.17	28.02.18	28.02.17	28.02.18	28.02.17
US Dollar	2,081	7,729	203,780	280,303	205,861	288,032

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the year end date 1.55% (2017: 1.16%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

The floating rate on bank balances is linked to the Depositary's base rate.

Market price risk

At the year end date, 98.89% (2017: 98.40%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.89%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 Direct transaction costs

In the case of shares, broker commissions, transfer taxes and stamp duty is paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

28.02.18	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(62,722)	(51)	–	(62,773)	0.08%	0.00%
	(62,722)	(51)	–	(62,773)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	118,124	(51)	(3)	118,070	0.04%	0.00%
	118,124	(51)	(3)	118,070		
Total		(102)	(3)			
Percentage of Fund average net assets		0.04%	0.00%			

28.02.17	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(84,807)	(43)	–	(84,850)	0.05%	0.00%
	(84,807)	(43)	–	(84,850)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	119,116	(59)	(3)	119,054	0.05%	0.00%
	119,116	(59)	(3)	119,054		
Total		(102)	(3)			
Percentage of Fund average net assets		0.04%	0.00%			

Dealing spread

As at 28 February 2018, the average portfolio dealing spread was 0.02% (2017: 0.03%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

18 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 28 February 2018

Income shares		Net revenue	Equalisation	Final distribution payable 27 April 2018	Final distribution paid 28 April 2017
Share Class 1	Group 1	0.9908	–	0.9908	1.0937
	Group 2	0.4962	0.4946	0.9908	1.0937
Share Class 2	Group 1	1.0414	–	1.0414	1.1407
	Group 2	0.6877	0.3537	1.0414	1.1407
Share Class 5	Group 1	1.0883	–	1.0883	–
	Group 2	1.0883	0.0000	1.0883	–

Accumulation shares		Net revenue	Equalisation	Final distribution payable 27 April 2018	Final distribution paid 28 April 2017
Share Class 1	Group 1	1.1768	–	1.1768	1.2669
	Group 2	0.4748	0.7020	1.1768	1.2669
Share Class 2	Group 1	1.2354	–	1.2354	1.3200
	Group 2	0.5683	0.6671	1.2354	1.3200
Share Class 3	Group 1	1.3111	–	1.3111	1.3899
	Group 2	1.3111	0.0000	1.3111	1.3899
Share Class 5	Group 1	1.2880	–	1.2880	–
	Group 2	1.2880	0.0000	1.2880	–

Final distribution payable in cents per share for the three months ended 28 February 2018

Income shares		Net revenue	Equalisation	Final distribution payable 27 April 2018	Final distribution paid 28 April 2017
Share Class 2 (USD)	Group 1	0.9002	–	0.9002	0.8861
	Group 2	0.5127	0.3875	0.9002	0.8861

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 November 2017.

Group 2 shares are those shares purchased after 12:00 noon on 28 November 2017.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 November 2017

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2018	Interim distribution paid 28 January 2017
Share Class 1	Group 1	1.0677	–	1.0677	1.1485
	Group 2	0.4711	0.5966	1.0677	1.1485
Share Class 2	Group 1	1.1226	–	1.1226	1.1958
	Group 2	0.4623	0.6603	1.1226	1.1958
Share Class 5	Group 1	1.1768	–	1.1768	–
	Group 2	1.1768	0.0000	1.1768	–

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 January 2018	Interim distribution paid 28 January 2017
Share Class 1	Group 1	1.2634	–	1.2634	1.3219
	Group 2	0.6725	0.5909	1.2634	1.3219
Share Class 2	Group 1	1.3235	–	1.3235	1.3751
	Group 2	0.6222	0.7013	1.3235	1.3751
Share Class 3	Group 1	1.4006	–	1.4006	1.5158
	Group 2	1.4006	0.0000	1.4006	1.5158
Share Class 5	Group 1	1.3843	–	1.3843	–
	Group 2	1.3843	0.0000	1.3843	–

Interim distribution paid in cents per share for the three months ended 28 November 2017

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2018	Interim distribution paid 28 January 2017
Share Class 2 (USD)	Group 1	0.9319	–	0.9319	0.9258
	Group 2	0.9319	0.0000	0.9319	0.9258

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 August 2017.

Group 2 shares are those shares purchased after 12:00 noon on 28 August 2017.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 August 2017

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2017	Interim distribution paid 28 October 2016
Share Class 1	Group 1	1.2433	–	1.2433	1.0385
	Group 2	0.5630	0.6803	1.2433	1.0385
Share Class 2	Group 1	1.3014	–	1.3014	1.0790
	Group 2	0.7241	0.5773	1.3014	1.0790
Share Class 5	Group 1	0.8035	–	0.8035	–
	Group 2	0.8035	0.0000	0.8035	–

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 October 2017	Interim distribution paid 28 October 2016
Share Class 1	Group 1	1.4568	–	1.4568	1.1885
	Group 2	0.7488	0.7080	1.4568	1.1885
Share Class 2	Group 1	1.5234	–	1.5234	1.2336
	Group 2	0.5057	1.0177	1.5234	1.2336
Share Class 3	Group 1	1.6013	–	1.6013	1.3528
	Group 2	1.6013	0.0000	1.6013	1.3528
Share Class 5	Group 1	0.9411	–	0.9411	–
	Group 2	0.9411	0.0000	0.9411	–

Interim distribution paid in cents per share for the three months ended 28 August 2017

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2017	Interim distribution paid 28 October 2016
Share Class 2 (USD)	Group 1	1.0431	–	1.0431	0.8893
	Group 2	0.4065	0.6366	1.0431	0.8893

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 May 2017.

Group 2 shares are those shares purchased after 12:00 noon on 28 May 2017.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 May 2017

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2017	Interim distribution paid 28 July 2016
Share Class 1	Group 1	1.1144	–	1.1144	0.9480
	Group 2	0.5758	0.5386	1.1144	0.9480
Share Class 2	Group 1	1.1644	–	1.1644	0.9915
	Group 2	0.5392	0.6252	1.1644	0.9915

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 July 2017	Interim distribution paid 28 July 2016
Share Class 1	Group 1	1.2985	–	1.2985	1.0870
	Group 2	0.7418	0.5567	1.2985	1.0870
Share Class 2	Group 1	1.3554	–	1.3554	1.1189
	Group 2	0.7118	0.6436	1.3554	1.1189
Share Class 3	Group 1	1.4277	–	1.4277	1.2226
	Group 2	1.4277	0.0000	1.4277	1.2226

Interim distribution paid in cents per share for the three months ended 28 May 2017

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2017	Interim distribution paid 28 July 2016
Share Class 2 (USD)	Group 1	0.9344	–	0.9344	0.9072
	Group 2	0.9344	0.0000	0.9344	0.9072

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 February 2017.

Group 2 shares are those shares purchased after 12:00 noon on 28 February 2017.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

AVIVA INVESTORS US EQUITY INCOME FUND II

INVESTMENT OBJECTIVE

To provide an annualised income yield 1.5% higher than the annual income yield obtainable on the Russell® 3000 Value index*, with the potential for capital growth.

* Income on the Fund will be paid quarterly. The income aim is a 12 month rolling target and is before the deduction of charges and tax. For the purposes of measuring the income aim the annual income yield of the Index will also be calculated on a 12 month rolling basis.

INVESTMENT POLICY

The Fund aims to achieve the investment objective by principally investing in equity securities with a minimum market capitalisation of \$1bn which are listed on regulated North American exchanges. Limited exposure to other geographic regions may be possible.

The Fund may also invest in other transferable securities, collective investment schemes, money market instruments, deposits, cash or near cash. The Fund may also use derivative instruments for the purposes of efficient portfolio management.

FUND MANAGER'S REPORT

Performance

Over the period ended 28 February 2018 the Fund (share class 1) delivered a total return of -7.17%* compared with an average return of -7.70% for the Russell® 3000 Value benchmark, an underperformance of 0.53%.

Over the period ended 28 February 2018, the Fund provided an income yield (before the deduction of charges and tax) of 3.45%, compared to the Russell® 3000 Value Index yield of 2.70%, an outperformance of 0.75% but falling short of its target of providing an annualised income yield 1.5% higher than that of the Index.

Review

2017 will likely be remembered for the unprecedentedly smooth rise in the stock market. The S&P 500 set a number of new records, posting a positive return 14 months in a row and going more than 290 days without a -3% correction. Over the prior decade, the S&P 500 traded down more than -1% in a single trading session an average of 33 times per year. However, the S&P 500 declined more than -1% in only four trading sessions in 2017, none of which occurred in quarter four (Q4). The CBOE Volatility Index continued to trade near all-time lows throughout the fourth quarter.

While geopolitical disputes dominated the headlines, investors seemed to continuously ignore these conflicts, instead focusing on the shifting tides of monetary and fiscal stimulus in the United States. The Federal Reserve (Fed) pushed short-term rates higher as longer-term rates remained stubbornly low and the U.S. Treasury curve flattened substantially. More importantly, Congress was finally able to break the gridlock, securing the most significant revision to U.S. tax code in more than 30 years. The tax reform bill not only lowered the corporate tax rate but also modernized the treatment of non-U.S. income and generally made it more attractive to do business in the United States – providing a boost to Corporate America.

2018 started strong as U.S. markets were broadly positive again in January. Implied volatility roared – somewhat inexplicably – in early February, generating significant losses for strategies that were inherently low volatility. However, the spike was short lived as the CBOE VIX declined sharply, but it has remained at levels well above the historic lows of recent months. Management reports increasingly support our belief that the lower tax rate represents a significant stimulus for earnings and dividend growth in the year to come which should help drive the market higher yet.

Broadly surveying the market, large caps led and growth stocks significantly outperformed during the period.

Six of eleven sectors in the Russell 3000 Value posted positive returns in the period, with Information Technology (27.6%), Financials (16.8%), and Materials (14.7%) providing the highest returns. The worst performing sectors were Real Estate (-9.8%), Telecommunication Services (-7.4%), and Energy (-4.2%).

Looking at what worked during the period, the most significant positive impacts on relative performance were from stock selection in the Energy and Consumer Staples sectors. All five Energy holdings outperformed the broader sector return including Marathon Petroleum Corp. (MPC, 32.6%), the second highest contributor to Portfolio return during the period. Of the seven Consumer Staples holdings, four outperformed the broader sector including Walmart Inc. (WMT, 30.1%), the fifth highest contributor during the period.

The other holdings with the highest contribution to Portfolio return during the period were Praxair Inc. (PX, 28.7%), Microsoft Corp. (MSFT, 50.3%), and Motorola Solutions Inc. (MSI, 36.9%).

Speaking to what did not work, overall sector allocation and stock selection were both negative. The most significant negative impacts on relative performance were from stock selection and the underweight allocation in Financials.

The five holdings with the lowest contribution to Portfolio return during the period were General Electric Co. (GE, -40.6%), W.W. Grainger Inc. (GWW, -36.3%), Uniti Group Inc. (UNIT, -44.2%), Cardinal Health Inc. (CAH, -26.1%), and Sabra Health Care REIT Inc. (SBRA, -32.3%).

As of 28 February, the Portfolio held a total of 56 positions. During the period, we established 13 positions, eliminated 9, and one was spun-off. The five largest positions established were Extended Stay America Inc. (STAY, 14.3%), Cisco Systems Inc. (CSCO, 19.1%), KAR Auction Services Inc. (KAR, 29.7%), Interpublic Group of Companies Inc. (IPG, -1.3%) and Nielsen Holdings Plc (NLSN, -14.8%). The five largest positions eliminated were Cardinal Health Inc. (CAH, -26.1%), TE Connectivity Ltd. (TEL, 32.5%), W.W. Grainger Inc. (GWW, -36.3%), Uniti Group Inc. (UNIT, -44.2%), and Owens & Minor Inc. (OMI, -28.7%). We eliminated the positions in CAH and GWW due to unrealized losses, the positions in OMI and UNIT due to fundamental changes, and the position in TEL as it was trading at a premium to its assessed valuation.

AVIVA INVESTORS US EQUITY INCOME FUND II (CONTINUED)

FUND MANAGER'S REPORT (CONTINUED)

Review (continued)

While we believe the market will likely move higher in 2018, the spike in volatility that occurred in the first week of February supports our assertion that the sense of complacency that has dominated markets of late cannot persist throughout 2018. As the boost from tax reform moves into the rearview mirror, we expect investors will become increasingly focused on risk, and volatility will tick higher. This shift could be driven by a more aggressive stance by the Fed, an uptick in inflation, or some other geopolitical event. Regardless of the cause, we believe that such a move would be positive for both the Strategy's relative results and for our bottom-up investment process. Given our expectations that market volatility will increase, dividend growth will be boosted by tax reform, and considering the attractive discount to value for the top 20 holdings in the wake of the recent pullback, we believe that the relative outlook for our value-driven investment approach is increasingly positive.

April 2018

* Fund performance figures – share class 1, source Lipper, net of fees, net income reinvested in GBP. Unless otherwise indicated, all data has been sourced by River Road Asset Management LLC.

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As noted above, the performance figures in this commentary have been sourced from Lipper and are based on published prices. The performance figures quoted in the comparative tables on pages 31 and 32 are based on the net asset value per the published accounts and may be different due to post year end accounting adjustments.

Any opinions expressed are those of the Fund manager. They should not be viewed as a guarantee of a return from an investment in the Funds. The content of the commentary should not be viewed as a recommendation to invest nor to buy or sell stocks. Past performance is not a guide to future performance. The value of an investment in the Fund and any income from it may go down as well as up, and the investor may not get back the original amount invested.

Material Portfolio Changes

Purchases	Sales
Extended Stay America	Microsoft
Nielsen Holdings	TE Connectivity
General Electric	Novo Nordisk, ADR
Interpublic Group	Cardinal Health
Cisco Systems	Motorola Solutions
KAR Auction Services	PNC Financial Services Group
Starbucks	Time Warner
Coty 'A'	GEO Group, REIT
Hanesbrands	Uniti Group, REIT
Kimberly-Clark	WW Grainger

Synthetic Risk and Reward Indicator

The Fund has been allocated a risk number based on the historic volatility of its share price. Where insufficient share price information is available, the risk number has been based on the historic volatility of the asset classes appropriate to the Fund.

- This indicator is based on historical data, calculated using European Union rules, and may not be a reliable indication of the future risk profile of the Fund.
- Investment may be restricted to a limited number of holdings, industries, or Countries. The Fund share price may be more exposed to specific events and as a result may experience large daily price changes.
- The risk and reward category shown is not guaranteed to remain unchanged and may change over time. The lowest category does not mean 'risk free'.
- Further information on the risks applicable to the Fund is detailed in the Fund's Key Investor Information Document, and a full description is set out in the Prospectus, both of which are available on the internet at www.avivainvestors.com or from the ACD on request.

COMPARATIVE TABLES

Class 1 Income	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	162.00	121.14	119.39
Return before operating charges [†]	(9.12)	46.55	6.56
Operating charges	(2.49)	(2.31)	(1.86)
Return after operating charges [†]	(11.61)	44.24	4.70
Distributions	(3.62)	(3.38)	(2.95)
Closing net asset value per share	146.77	162.00	121.14
[†] after direct transaction costs of	(0.06)	(0.06)	(0.05)
Performance			
Return after operating charges	(7.17)%	36.52%	3.94%
Other information			
Closing net asset value (£000)	154	170	146
Closing number of shares	105,139	105,139	120,729
Operating charges (%) [†]	1.63%	1.63%	1.63%
Direct transaction costs (%) [#]	0.04%	0.04%	0.04%
Prices[*]			
Highest share price	164.82	163.02	125.62
Lowest share price	142.35	120.32	101.73

Class 2 Income	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	166.32	123.44	120.74
Return before operating charges [†]	(9.39)	47.63	6.71
Operating charges	(1.38)	(1.29)	(1.02)
Return after operating charges [†]	(10.77)	46.34	5.69
Distributions	(3.73)	(3.46)	(2.99)
Closing net asset value per share	151.82	166.32	123.44
[†] after direct transaction costs of	(0.06)	(0.06)	(0.05)
Performance			
Return after operating charges	(6.48)%	37.54%	4.71%
Other information			
Closing net asset value (£000)	310,565	316,551	171,704
Closing number of shares	204,558,500	190,329,296	139,098,828
Operating charges (%) [†]	0.88%	0.88%	0.88%
Direct transaction costs (%) [#]	0.04%	0.04%	0.04%
Prices[*]			
Highest share price	169.22	167.31	127.16
Lowest share price	147.19	122.61	103.26

Class 2 Accumulation	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	180.81	131.12	125.04
Return before operating charges [†]	(10.23)	51.07	7.14
Operating charges	(1.52)	(1.38)	(1.06)
Return after operating charges [†]	(11.75)	49.69	6.08
Distributions	(4.09)	(3.71)	(3.12)
Retained distributions on accumulation shares	4.09	3.71	3.12
Closing net asset value per share	169.06	180.81	131.12
[†] after direct transaction costs of	(0.07)	(0.06)	(0.05)
Performance			
Return after operating charges	(6.50)%	37.90%	4.86%
Other information			
Closing net asset value (£000)	21,566	19,487	11,219
Closing number of shares	12,756,372	10,777,903	8,556,231
Operating charges (%) [†]	0.88%	0.88%	0.88%
Direct transaction costs (%) [#]	0.04%	0.04%	0.04%
Prices[*]			
Highest share price	183.96	180.85	131.68
Lowest share price	162.98	130.24	107.55

Class 2 Income (USD)	2018 c per share	2017 c per share	2016 c per share
Change in net assets per share			
Opening net asset value per share	132.02	109.95	118.90
Return before operating charges [†]	6.40	26.03	(4.59)
Operating charges	(1.16)	(1.07)	(1.51)
Return after operating charges [†]	5.24	24.96	(6.10)
Distributions	(3.14)	(2.89)	(2.85)
Closing net asset value per share	134.12	132.02	109.95
[†] after direct transaction costs of	(0.05)	(0.05)	(0.04)
Performance			
Return after operating charges	3.97%	22.70%	(5.13)%
Other information			
Closing net asset value (£000)	1,805	1,255	1,143
Closing number of shares	1,862,880	1,182,591	1,451,673
Operating charges (%) [†]	0.88%	0.88%	0.89%
Direct transaction costs (%) [#]	0.04%	0.04%	0.04%
Prices[*]			
Highest share price	144.63	132.80	119.75
Lowest share price	126.46	109.32	101.19

COMPARATIVE TABLES (CONTINUED)

Class 3 Accumulation	2018 p per share	2017 p per share	2016 p per share
Change in net assets per share			
Opening net asset value per share	237.69	171.76	163.25
Return before operating charges [†]	(13.46)	67.02	9.35
Operating charges	(1.21)	(1.09)	(0.84)
Return after operating charges [†]	(14.67)	65.93	8.51
Distributions	(5.56)	(4.49)	(4.22)
Retained distributions on accumulation shares	5.56	4.49	4.22
Closing net asset value per share	223.02	237.69	171.76
[†] after direct transaction costs of	(0.09)	(0.08)	(0.06)
Performance			
Return after operating charges	(6.17)%	38.38%	5.21%
Other information			
Closing net asset value (£000)	87	93	67
Closing number of shares	38,976	38,976	38,976
Operating charges (%) [†]	0.53%	0.53%	0.53%
Direct transaction costs (%) [‡]	0.04%	0.04%	0.04%
Prices[≈]			
Highest share price	241.84	237.74	171.99
Lowest share price	214.96	170.62	140.66

Class 5 Income [†]	2018 p per share
Change in net assets per share	
Opening net asset value per share	158.61
Return before operating charges [†]	(3.02)
Operating charges	(0.76)
Return after operating charges [†]	(3.78)
Distributions	(2.52)
Closing net asset value per share	152.31
[†] after direct transaction costs of	(0.06)
Performance	
Return after operating charges	(2.38)%
Other information	
Closing net asset value (£000)	1
Closing number of shares	653
Operating charges (%) [†]	0.80%
Direct transaction costs (%) [‡]	0.04%
Prices[≈]	
Highest share price	162.60
Lowest share price	147.69

Class 5 Accumulation [†]	2018 p per share
Change in net assets per share	
Opening net asset value per share	173.42
Return before operating charges [†]	(3.34)
Operating charges	(0.83)
Return after operating charges [†]	(4.17)
Distributions	(2.77)
Retained distributions on accumulation shares	2.77
Closing net asset value per share	169.25
[†] after direct transaction costs of	(0.07)
Performance	
Return after operating charges	(2.40)%
Other information	
Closing net asset value (£000)	1
Closing number of shares	591
Operating charges (%) [†]	0.80%
Direct transaction costs (%) [‡]	0.04%
Prices[≈]	
Highest share price	179.63
Lowest share price	163.15

[†] The operating charges are calculated on an ex-post basis and as such may differ from the Ongoing Charge Figure where:

(a) Changes to fee rates were made during the year and the Ongoing Charge Figure has been amended to be future proofed for this change.

(b) The Ongoing Charge has been annualised for a share class that has not yet been open for a full year.

[#] The direct transaction costs have been stated after deducting, in the case of single-priced funds, the proportion of the amounts collected from dilution adjustments or dilution levies that relates to direct transaction costs and, in the case of dual-priced funds, the amounts collected in relation to direct transaction costs added to, or subtracted from, the valuations by virtue of COLL 6.3.6 G (4).

[≈] The high and low prices disclosed are the high and low prices for the accounting period and not the calendar year. The net asset value per share price is based on the net asset value in the published accounts and may be different due to post year end accounting adjustments.

[†] Class 5 (GBP) and Class 5 (Acc) (GBP) were launched on 23 June 2017.

Ongoing Charges Figure*

Share class	28.02.18	28.02.17
Class 1	1.63%	1.63%
Class 2	0.88%	0.88%
Class 2 (USD)	0.88%	0.88%
Class 3	0.53%	0.53%
Class 5	0.80%	–

* The Ongoing Charges Figure (OCF) is calculated as the ratio of the total ongoing charges to the average net asset value of the Fund over the year. The OCF is made up of the Annual Management Charge (if any) and other operating costs deducted from the assets of the Fund during the year, except for those payments that are explicitly excluded (performance fees).

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

PORTFOLIO STATEMENT

As at 28 February 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Equities 97.73% (95.68%)				
Consumer Discretionary 16.28% (9.04%)				
Hotels, Restaurants & Leisure 3.77% (0.00%)				
Extended Stay America	USD	531,870	7,549	2.26
Starbucks	USD	123,140	5,031	1.51
			<u>12,580</u>	<u>3.77</u>
Leisure Products 1.22% (0.94%)				
Polaris Industries	USD	49,268	4,083	1.22
			<u>4,083</u>	<u>1.22</u>
Media 7.33% (6.07%)				
Cinemark Holdings	USD	256,398	8,021	2.40
Interpublic Group	USD	327,081	5,618	1.68
Meredith	USD	93,466	3,902	1.17
Omnicom Group	USD	125,235	6,958	2.08
			<u>24,499</u>	<u>7.33</u>
Multiline Retail 2.57% (2.03%)				
Target	USD	157,469	8,594	2.57
			<u>8,594</u>	<u>2.57</u>
Textiles, Apparel & Luxury Goods 1.39% (0.00%)				
Hanesbrands	USD	322,224	4,643	1.39
			<u>4,643</u>	<u>1.39</u>
Consumer Discretionary total			54,399	16.28
Consumer Staples 11.11% (7.14%)				
Beverages 1.09% (1.15%)				
PepsiCo	USD	45,776	3,666	1.09
			<u>3,666</u>	<u>1.09</u>
Food & Staples Retailing 3.37% (2.54%)				
CVS Health	USD	63,919	3,151	0.94
Walmart	USD	122,725	8,113	2.43
			<u>11,264</u>	<u>3.37</u>
Food Products 1.10% (0.00%)				
Kraft Heinz	USD	74,802	3,666	1.10
			<u>3,666</u>	<u>1.10</u>
Household Products 2.37% (1.53%)				
Kimberly-Clark	USD	97,484	7,911	2.37
			<u>7,911</u>	<u>2.37</u>
Personal Products 3.18% (1.92%)				
Coty 'A'	USD	350,357	5,021	1.50
Unilever, ADR	USD	149,556	5,606	1.68
			<u>10,627</u>	<u>3.18</u>
Consumer Staples total			37,134	11.11

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Energy 9.12% (8.67%)				
Oil, Gas & Consumable Fuels 9.12% (8.67%)				
Chevron	USD	47,802	3,923	1.17
Exxon Mobil	USD	111,865	6,263	1.88
Marathon Petroleum	USD	244,673	11,591	3.47
Occidental Petroleum	USD	97,075	4,680	1.40
Valero Energy	USD	60,043	4,022	1.20
			30,479	9.12
Energy total			30,479	9.12
Financials 13.67% (15.67%)				
Banks 9.66% (10.38%)				
BB&T	USD	282,528	11,213	3.36
PNC Financial Services Group	USD	42,225	4,887	1.46
US Bancorp	USD	257,212	10,220	3.06
Wells Fargo	USD	139,253	5,956	1.78
			32,276	9.66
Capital Markets 1.40% (1.77%)				
Thomson Reuters	USD	162,378	4,683	1.40
			4,683	1.40
Insurance 2.61% (3.52%)				
Axis Capital Holdings	USD	97,429	3,464	1.04
CNA Financial	USD	47,067	1,755	0.52
MetLife	USD	103,161	3,518	1.05
			8,737	2.61
Financials total			45,696	13.67
Health Care 1.99% (5.10%)				
Biotechnology 1.99% (1.92%)				
Amgen	USD	49,504	6,643	1.99
			6,643	1.99
Health Care Providers & Services 0.00% (3.18%)				
Health Care total			6,643	1.99
Industrials 16.42% (11.70%)				
Air Freight & Logistics 1.87% (1.64%)				
United Parcel Service 'B'	USD	81,752	6,241	1.87
			6,241	1.87
Building Products 1.48% (1.40%)				
Johnson Controls International	USD	180,901	4,969	1.48
			4,969	1.48
Commercial Services & Supplies 1.88% (0.00%)				
KAR Auction Services	USD	167,644	6,295	1.88
			6,295	1.88
Electrical Equipment 2.07% (1.74%)				
Emerson Electric	USD	130,979	6,915	2.07

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
			6,915	2.07
Industrial Conglomerates 0.93% (0.00%)				
General Electric	USD	295,933	3,099	0.93
			3,099	0.93
Professional Services 1.68% (0.00%)				
Nielsen Holdings	USD	234,246	5,610	1.68
			5,610	1.68
Road & Rail 2.43% (1.99%)				
Union Pacific	USD	84,068	8,121	2.43
			8,121	2.43
Trading Companies & Distributors 4.08% (4.93%)				
Aircastle	USD	144,227	2,045	0.61
Fastenal	USD	289,975	11,593	3.47
			13,638	4.08
Industrials total			54,888	16.42
Information Technology 10.66% (13.46%)				
Communications Equipment 3.54% (2.39%)				
Cisco Systems	USD	205,592	6,687	2.00
Motorola Solutions	USD	66,792	5,142	1.54
			11,829	3.54
Electronic Equipment, Instruments & Components 2.69% (4.38%)				
Corning	USD	424,696	9,000	2.69
			9,000	2.69
Semiconductors & Semiconductor Equipment 3.57% (3.46%)				
Intel	USD	123,857	4,465	1.34
QUALCOMM	USD	155,826	7,467	2.23
			11,932	3.57
Software 0.86% (3.23%)				
Microsoft	USD	42,080	2,863	0.86
			2,863	0.86
Information Technology total			35,624	10.66
Materials 5.18% (5.39%)				
Chemicals 3.91% (3.81%)				
LyondellBasell Industries 'A'	USD	45,135	3,574	1.07
Praxair	USD	85,430	9,501	2.84
			13,075	3.91
Metals & Mining 1.27% (1.58%)				
Compass Minerals International	USD	93,576	4,221	1.27
			4,221	1.27
Materials total			17,296	5.18

PORTFOLIO STATEMENT (CONTINUED)

As at 28 February 2018

Investment	Currency	Holding	Market Value £000	% of Net Assets
Real Estate 9.33% (13.89%)				
Equity Real Estate Investment Trusts (REITs) 9.33% (13.89%)				
GEO Group	USD	285,060	4,400	1.32
Iron Mountain	USD	346,163	7,758	2.32
Ryman Hospitality Properties	USD	114,018	5,694	1.70
Sabra Health Care REIT	USD	258,196	3,187	0.95
Ventas	USD	148,580	5,249	1.57
Weyerhaeuser	USD	192,490	4,904	1.47
			31,192	9.33
Real Estate total			31,192	9.33
Telecommunication Services 1.93% (2.60%)				
Diversified Telecommunication Services 1.93% (2.60%)				
Verizon Communications	USD	185,520	6,439	1.93
			6,439	1.93
Telecommunication Services total			6,439	1.93
Utilities 2.04% (3.02%)				
Gas Utilities 2.04% (2.46%)				
National Fuel Gas	USD	186,558	6,801	2.04
			6,801	2.04
Multi-Utilities 0.00% (0.56%)				
Utilities total			6,801	2.04
Equities total			326,591	97.73
Investment assets			326,591	97.73
Net other assets			7,588	2.27
Net assets			334,179	100.00

All holdings are ordinary shares or stock units and admitted to an official stock exchange unless otherwise stated.
The comparative percentage figures in brackets are as at 28 February 2017.

STATEMENT OF TOTAL RETURN

For the year ended 28 February 2018

	Notes	£000	Year ended 28.02.18 £000	£000	Year ended 28.02.17 £000
Income					
Net capital (losses)/gains	2		(28,788)		76,289
Revenue	3	10,494		7,640	
Expenses					
Net revenue before taxation	4	(3,072)		(2,226)	
Taxation	5	(1,552)		(1,106)	
Net revenue after taxation			5,870		4,308
Total return before distributions			(22,918)		80,597
Distributions	6		(8,248)		(6,041)
Change in net assets attributable to shareholders from investment activities			(31,166)		74,556

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the year ended 28 February 2018

	£000	Year ended 28.02.18 £000	£000	Year ended 28.02.17 £000
Opening net assets attributable to shareholders		337,556		184,279
Movement due to issue and cancellation of shares:				
Amounts receivable on issue of shares	60,873		90,935	
Amounts payable on cancellation of shares	(33,578)		(12,551)	
		27,295		78,384
Change in net assets attributable to shareholders from investment activities (see above)		(31,166)		74,556
Retained distribution on accumulation shares		494		337
Closing net assets attributable to shareholders		334,179		337,556

BALANCE SHEET

As at 28 February 2018

	Notes	As at 28.02.18 £000	As at 28.02.17 £000
Assets:			
Investments		326,591	322,983
Current assets:			
Debtors	8	2,329	3,385
Cash and bank balances	9	7,412	16,020
Total assets		336,332	342,388
Liabilities:			
Creditors:			
Bank overdrafts		–	(875)
Distribution payable		(1,771)	(1,819)
Other creditors	10	(382)	(2,138)
Total liabilities		(2,153)	(4,832)
Net assets attributable to shareholders		334,179	337,556

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting basis and policies

Please see pages 6 and 7 for accounting basis and policies.

2 Net capital (losses)/gains

	Year ended 28.02.18 £000	Year ended 28.02.17 £000
Net capital (losses)/gains on investments during the year comprise:		
Currency (losses)/gains	(1,367)	580
Expenses relating to the purchase and sale of investments	(9)	(9)
Non-derivative securities (losses)/gains	(27,412)	75,718
Net capital (losses)/gains	(28,788)	76,289

3 Revenue

	Year ended 28.02.18 £000	Year ended 28.02.17 £000
Bank and deposit interest	3	1
Overseas dividends	10,176	7,500
UK dividends	315	139
Total revenue	10,494	7,640

4 Expenses

	Year ended 28.02.18 £000	Year ended 28.02.17 £000
Payable to the Authorised Corporate Director ("ACD"), associates of the ACD or agents of either of them:		
ACD's periodic charge	2,625	1,899
Registration fees	351	253
	2,976	2,152
Payable to the Depositary, associates of the Depositary or agents of either of them:		
Depositary's fee	44	33
Dividend collection charges	4	2
Interest payable	4	–
Safe custody fee	22	17
	74	52
Other expenses:		
Audit fee*	11	12
Statement fee	11	10
	22	22
Total expenses	3,072	2,226

* The audit fee was £9,634 (2017: £9,376) net of VAT.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 Taxation**a Analysis of tax charge**

	Year ended 28.02.18 £000	Year ended 28.02.17 £000
Overseas tax suffered	1,552	1,106
Total current tax (see note 5b)	1,552	1,106

b Factors affecting current tax charge

The tax assessed for the year is higher (2017: higher) than the standard rate of corporation tax in the UK for an Authorised Investment Fund (20%) (2017: 20%).

The differences are explained below:

	Year ended 28.02.18 £000	Year ended 28.02.17 £000
Net revenue before taxation	7,422	5,414
Corporation tax at 20%	1,484	1,083
Effects of:		
Movement in excess expenses	322	254
Overseas dividends not subject to corporation tax	(1,692)	(1,275)
Overseas tax suffered	1,552	1,106
Tax relief for overseas tax suffered	(52)	(34)
UK dividends not subject to corporation tax	(62)	(28)
	68	23
Current tax charge (see note 5a)	1,552	1,106

Authorised Investment Funds are exempt from tax on capital gains. Therefore, any capital return is not included in the above reconciliation.

c Deferred tax

There was no provision for deferred tax at the year end (2017: £nil).

After claiming relief against accrued income taxable on receipt, the Fund has unrelieved excess expenses of £4,312,000 (2017: £2,701,000) creating a potential deferred tax asset of £862,000 (2017: £540,000). It is unlikely that the Fund will generate taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised in the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Distributions

	Year ended 28.02.18 £000	Year ended 28.02.17 £000
The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:		
Net dividend distribution for the three months ended 28 May	1,940	1,198
Net dividend distribution for the three months ended 28 August	2,358	1,451
Net dividend distribution for the three months ended 28 November	2,133	1,717
Net dividend distribution for the three months ended 28 February	1,892	1,930
	8,323	6,296
Add: Revenue deducted on cancellation of shares	111	31
Deduct: Revenue received on issue of shares	(186)	(286)
Total distributions	8,248	6,041

Reconciliations of distributions for the year to net revenue after taxation

Distributions for the year	8,248	6,041
ACD's periodic charge borne by the capital account	(2,625)	(1,899)
Tax relief on capitalised ACD's periodic charge	247	166
Net revenue after taxation	5,870	4,308

Details of the distributions per share are set out in the distribution tables on pages 45 to 48.

7 Fair value hierarchy

	As at 28.02.18 £000	As at 28.02.17 £000
Level 1: Quoted prices	326,591	322,983
Total value	326,591	322,983

Financial instruments have been measured at their fair value and have been classified below using a hierarchy that reflects the significance of the inputs used in measuring their fair value:

Level 1: Unadjusted quoted price in an active market for an identical instrument;

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1;

Level 3: Valuation techniques using unobservable inputs.

8 Debtors

	As at 28.02.18 £000	As at 28.02.17 £000
Accrued revenue	977	977
Amounts receivable on issue of shares	664	1,536
Overseas tax recoverable	688	872
Total debtors	2,329	3,385

9 Cash and bank balances

	As at 28.02.18 £000	As at 28.02.17 £000
Cash and bank balances	7,412	16,020
Total cash and bank balances	7,412	16,020

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 Other creditors

	As at 28.02.18 £000	As at 28.02.17 £000
Accrued expenses	281	255
Amounts payable for cancellation of shares	101	–
Purchases awaiting settlement	–	1,883
Total creditors	382	2,138

11 Contingent liabilities and commitments

There were no contingent liabilities or commitments at the year end (2017: £nil).

12 Related party transactions

ACD periodic charges paid to Aviva Investors UK Fund Services Limited ("the ACD") are shown in note 4 and details of shares issued and cancelled by the ACD are shown in the statement of change in net assets attributable to shareholders. The balance due to the ACD at the year end in respect of ACD periodic charges was £195,000 (2017: £197,000). Any balance due from the ACD in respect of issues is shown in note 8. Any balance due to the ACD in respect of cancellations is shown in note 10.

Distributions payable to the ACD and related parties of the ACD during the year amounted to £3,000 (2017: £102,000). The amount outstanding at the year end was £1,000 (2017: £30,000). Related parties of the ACD are deemed to be all companies under the control of Aviva Plc. This will include companies which hold shares in the Fund on behalf of other external investors.

All investments managed and advised by Aviva Investors Global Services Limited or associated with the Aviva Group are identified on the portfolio statement.

Holdings at the year end and movements during the year are as follows:

	Holdings at 28.02.18 (shares)	Movement (shares)	Holdings at 28.02.17 (shares)
ACD and related parties (Class 2 Income (GBP) shares)	–	(2,054,823)	2,054,823
ACD and related parties (Class 2 Accumulation (GBP) shares)	17,651	(916,075)	933,726
ACD and related parties (Class 3 Accumulation (GBP) shares)	38,976	–	38,976

The ACD and related parties of the ACD are ineligible to vote at any general meeting.

13 Shareholder funds

The Fund currently has four share classes: Class 1 (Retail), Class 2 and Class 5 (Institutional) and Class 3 (Associated undertakings of Aviva plc).

The annual management charges are as follows:

Class 1: 1.50%

Class 2: 0.75%

Class 3: 0.50%

Class 5: 0.67%

The net asset value per share class, the net asset value per share and the number of shares in the class are shown on pages 31 and 32. The distributions per share class are given in the distribution tables on pages 45 to 48. All the share classes have the same rights on winding up.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 Shares in issue reconciliation

	Number of shares in issue at 28.02.17	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue at 28.02.18
Share Class 1 Income	105,139	–	–	–	105,139
Share Class 2 Income	190,329,296	33,843,126	(19,613,922)	–	204,558,500
Share Class 2 Income (USD)	10,777,903	3,731,978	(1,753,509)	–	12,756,372
Share Class 2 Accumulation	1,182,591	972,534	(292,245)	–	1,862,880
Share Class 3 Accumulation	38,976	–	–	–	38,976
Share Class 5 Income	–	10,957	(10,304)	–	653
Share Class 5 Accumulation	–	10,871	(10,280)	–	591

15 Derivatives and other financial instruments

The policies applied in the management of financial instruments are set out on page 7.

Fair value of financial assets and financial liabilities

There is no significant difference between the carrying values of the financial assets and liabilities and their fair values (2017: £nil).

Currency risk

At the year end date, 100.05% (2017: 100.42%) of the net assets of the Fund were denominated in currencies other than sterling with the effect that the balance sheet and total return can be significantly affected by currency movements. If the USD to GBP exchange rate changes by 10.00%, the value of the Fund will change by 10.00%.

Currency	Net foreign currency assets					
	Monetary exposure £000		Non monetary exposure £000		Total £000	
	28.02.18	28.02.17	28.02.18	28.02.17	28.02.18	28.02.17
US Dollar	7,750	15,986	326,591	322,983	334,341	338,969

Interest rate risk

The Fund does not invest in either fixed or floating rate securities and interest rate risk exposure is restricted to interest receivable on bank deposits or payable on bank overdraft positions which will be affected by fluctuations in interest rates.

At the year end date 2.22% (2017: 4.49%) of the net assets of the Fund were interest bearing.

The floating rate on bank balances is linked to the Depository's base rate.

Market price risk

At the year end date, 97.73% (2017: 95.68%) of the net assets of the Fund were invested in ordinary shares or stock units or debt securities admitted to an official stock exchange. If the market value were to change by 10%, the value of the Fund would change by 9.77%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 Direct transaction costs

In the case of shares, broker commissions, transfer taxes and stamp duty is paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

28.02.18	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(136,428)	(88)	–	(136,516)	0.06%	0.00%
	(136,428)	(88)	–	(136,516)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	105,542	(49)	(2)	105,491	0.05%	0.00%
	105,542	(49)	(2)	105,491		
Total		(137)	(2)			
Percentage of Fund average net assets		0.04%	0.00%			

28.02.17	Principal before costs £000	Commissions £000	Taxes £000	Total after costs £000	Commissions as % of principal	Taxes as % of principal
Purchases (excluding in-specie transfers and corporate actions)						
Equities	(151,977)	(62)	–	(152,039)	0.04%	0.00%
	(151,977)	(62)	–	(152,039)		
Sales (excluding in-specie transfers and corporate actions)						
Equities	82,683	(43)	(2)	82,638	0.05%	0.00%
	82,683	(43)	(2)	82,638		
Total		(105)	(2)			
Percentage of Fund average net assets		0.04%	0.00%			

Dealing spread

As at 28 February 2018, the average portfolio dealing spread was 0.02% (2017: 0.02%). This spread represents the difference between the values determined retrospectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

17 Post balance sheet events

There are no post balance sheet events which require adjustment or disclosure at the year end (2017: £nil).

DISTRIBUTION TABLES

Final distribution payable in pence per share for the three months ended 28 February 2018

Income shares		Net revenue	Equalisation	Final distribution payable 28 April 2018	Final distribution paid 28 April 2017
Share Class 1	Group 1	0.8324	–	0.8324	0.9276
	Group 2	0.3722	0.4602	0.8324	0.9276
Share Class 2	Group 1	0.8602	–	0.8602	0.9513
	Group 2	0.4081	0.4521	0.8602	0.9513
Share Class 5	Group 1	0.9040	–	0.9040	–
	Group 2	0.9040	0.0000	0.9040	–

Accumulation shares		Net revenue	Equalisation	Interim distribution payable 28 April 2018	Interim distribution paid 28 April 2017
Share Class 2	Group 1	0.9525	–	0.9525	1.0282
	Group 2	0.4209	0.5316	0.9525	1.0282
Share Class 3	Group 1	1.3023	–	1.3023	1.3975
	Group 2	1.3023	0.0000	1.3023	1.3975
Share Class 5	Group 1	0.9986	–	0.9986	–
	Group 2	0.9986	0.0000	0.9986	–

Final distribution payable in cents per share for the three months ended 28 February 2018

Accumulation shares		Net revenue	Equalisation	Final distribution payable 28 April 2018	Final distribution paid 28 April 2017
Share Class 2 (USD)	Group 1	0.7600	–	0.7600	0.7554
	Group 2	0.3616	0.3984	0.7600	0.7554

Final Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 November 2017.

Group 2 shares are those shares purchased after 12:00 noon on 28 November 2017.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 November 2017

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2018	Interim distribution paid 28 January 2017
Share Class 1	Group 1	0.8971	–	0.8971	0.9080
	Group 2	0.5209	0.3762	0.8971	0.9080
Share Class 2	Group 1	0.9254	–	0.9254	0.9296
	Group 2	0.4672	0.4582	0.9254	0.9296
Share Class 5	Group 1	0.9658	–	0.9658	–
	Group 2	0.9658	0.0000	0.9658	–

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 January 2018	Interim distribution paid 28 January 2017
Share Class 2	Group 1	1.0186	–	1.0186	0.9984
	Group 2	0.4130	0.6056	1.0186	0.9984
Share Class 3	Group 1	1.3887	–	1.3887	1.3538
	Group 2	1.3887	0.0000	1.3887	1.3538
Share Class 5	Group 1	1.0622	–	1.0622	–
	Group 2	1.0622	0.0000	1.0622	–

Interim distribution paid in cents per share for the three months ended 28 November 2017

Income shares		Net revenue	Equalisation	Interim distribution paid 28 January 2018	Interim distribution paid 28 January 2017
Share Class 2 (USD)	Group 1	0.7853	–	0.7853	0.7351
	Group 2	0.4950	0.2903	0.7853	0.7351

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 August 2017.

Group 2 shares are those shares purchased after 12:00 noon on 28 August 2017.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 August 2017

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2017	Interim distribution paid 28 October 2016
Share Class 1	Group 1	1.0103	–	1.0103	0.8298
	Group 2	0.4089	0.6014	1.0103	0.8298
Share Class 2	Group 1	1.0402	–	1.0402	0.8480
	Group 2	0.4850	0.5552	1.0402	0.8480
Share Class 5	Group 1	0.6456	–	0.6456	–
	Group 2	0.6456	0.0000	0.6456	–

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 October 2017	Interim distribution paid 28 October 2016
Share Class 2	Group 1	1.1367	–	1.1367	0.9058
	Group 2	0.4458	0.6909	1.1367	0.9058
Share Class 3	Group 1	1.5416	–	1.5416	1.2269
	Group 2	1.5416	0.0000	1.5416	1.2269
Share Class 5	Group 1	0.7059	–	0.7059	–
	Group 2	0.7059	0.0000	0.7059	–

Interim distribution paid in cents per share for the three months ended 28 August 2017

Income shares		Net revenue	Equalisation	Interim distribution paid 28 October 2017	Interim distribution paid 28 October 2016
Share Class 2 (USD)	Group 1	0.8519	–	0.8519	0.7143
	Group 2	0.3426	0.5093	0.8519	0.7143

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 May 2017.

Group 2 shares are those shares purchased after 12:00 noon on 28 May 2017.

DISTRIBUTION TABLES (CONTINUED)

Interim distribution paid in pence per share for the three months ended 28 May 2017

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2017	Interim distribution paid 28 July 2016
Share Class 1	Group 1	0.8759	–	0.8759	0.7173
	Group 2	0.5558	0.3201	0.8759	0.7173
Share Class 2	Group 1	0.9001	–	0.9001	0.7356
	Group 2	0.4807	0.4194	0.9001	0.7356

Accumulation shares		Net revenue	Equalisation	Interim distribution paid 28 July 2017	Interim distribution paid 28 July 2016
Share Class 2	Group 1	0.9784	–	0.9784	0.7763
	Group 2	0.4277	0.5507	0.9784	0.7763
Share Class 3	Group 1	1.3305	–	1.3305	0.5134
	Group 2	1.3305	0.0000	1.3305	0.5134

Interim distribution paid in cents per share for the three months ended 28 May 2017

Income shares		Net revenue	Equalisation	Interim distribution paid 28 July 2017	Interim distribution paid 28 July 2016
Share Class 2 (USD)	Group 1	0.7382	–	0.7382	0.6834
	Group 2	0.4023	0.3359	0.7382	0.6834

Interim Distribution

Group 1 shares are those shares purchased at or before 12:00 noon on 28 February 2017.

Group 2 shares are those shares purchased after 12:00 noon on 28 February 2017.

Equalisation

Equalisation applies only to Group 2 shares, in other words shares purchased during the period. It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to the holders of these shares as return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

STATEMENT OF THE AUTHORISED CORPORATE DIRECTOR'S RESPONSIBILITIES

The Collective Investment Schemes Sourcebook of the Financial Conduct Authority requires the Authorised Corporate Director (ACD) to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Company at the period end and of the net revenue and net gains or losses on the scheme property of the Company for the period then ended.

In preparing the financial statements the ACD is required to:

- follow applicable accounting standards;
- make judgements and estimates that are reasonable and prudent;
- select suitable accounting policies and then apply them consistently;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future; and
- comply with the Instrument of Incorporation of the Company and the Statement of Recommended Practice for Authorised Funds.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the Regulations and the instrument of Incorporation.

The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUTHORISED CORPORATE DIRECTOR'S STATEMENT

We hereby approve the Report and Financial Statements of Aviva Investors Select Funds ICVC for the year ended 28 February 2018 on behalf of Aviva Investors UK Fund Services Limited in accordance with the requirements of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority.

I K Buckle
Director

S Ebenston
Director
19 June 2018

STATEMENT OF THE DEPOSITARY'S RESPONSIBILITIES

The Depositary is responsible for the safe keeping of all the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of income that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed by the Authorised Corporate Director in accordance with the Financial Conduct Authority's Collective Investment Schemes sourcebook ("the COLL Sourcebook"), the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) ("the OEIC Regulations") and the Company's Instrument of Incorporation and Prospectus, as appropriate, in relation to the pricing of, and dealings in, shares in the Company; the application of income of the Company; and the investment and borrowing powers of the Company.

DEPOSITARY'S REPORT TO THE SHAREHOLDERS

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Authorised Corporate Director:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with the COLL Sourcebook, and, where applicable, the OEIC Regulations and the Company's Instrument of Incorporation and Prospectus; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

J.P. Morgan Europe Limited
London
19 June 2018

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AVIVA INVESTORS SELECT FUNDS ICVC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion, Aviva Investors Select Funds ICVC's financial statements:

- give a true and fair view of the financial position of the Company and each of the sub-funds as at 28 February 2018 and of the net revenue and the net capital losses on the scheme property of the Company and each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Aviva Investors Select Funds ICVC (the "company") is an Open Ended Investment Company ("OEIC") with 2 sub-funds. The financial statements of the company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheets as at 28 February 2018; the statements of total return, the statements of change in net assets attributable to shareholders; the distribution tables; the accounting policies; and the notes to the financial statements.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Authorised Corporate Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Authorised Corporate Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's or any of the sub-funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's or any of the sub-funds' ability to continue as a going concern.

REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AVIVA INVESTORS SELECT FUNDS ICVC (CONTINUED)

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities set out on page 49, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing the company's and each of the sub-funds ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the company or individual sub-fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

OTHER REQUIRED REPORTING

OPINION ON MATTER REQUIRED BY THE COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

COLLECTIVE INVESTMENT SCHEMES SOURCEBOOK EXCEPTION REPORTING

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
19 June 2018

SECURITIES FINANCING TRANSACTIONS REGULATION DISCLOSURE (UNAUDITED)

None of the Funds in the Company currently undertakes securities financing transactions (as defined in Article 3 of Regulation (EU) 2015/2365) or uses total return swaps.

GENERAL INFORMATION

Investments in Aviva Investors Select Funds ICVC are intended to be medium to long term investments and should not be considered as a short term investment.

Past performance is not a guide to the future.

The value of an investment in the Funds and the revenue from it may go down as well as up, and you may not get back the original amount invested.

Where Funds are invested abroad, the value of your investment may rise and fall purely on account of movement in exchange rates.

Please refer to the Prospectus (which is available on the internet at www.avivainvestors.com or from the ACD on request) for a full description of the risks involved when investing in the Funds.

Any future returns and opinions expressed are those of the Investment Manager and should not be relied upon as indicating any guarantee of return from investment in the Funds.

The information contained within this document should not be construed as a recommendation to purchase or sell stocks.

Publication of Prices

Information on the prices of Shares will be available by calling 0800 051 2003 or on the internet at www.avivainvestors.com. Calls to this number may be recorded for training or monitoring purposes. Calls are free from landlines and mobiles.

